

Registered number: 02750237

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**SPL INTERNATIONAL LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE 13 MONTH PERIOD ENDED 31 MARCH 2017**



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**SPL INTERNATIONAL LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

A R Lee (resigned 14 July 2016)  
P R Eastwood  
H L Dowell  
M T Harrison  
W J Kilham (appointed 31 May 2016)

**REGISTERED NUMBER**

02750237

**REGISTERED OFFICE**

Philip Jones House  
Poole Hall Industrial Estate  
Poole Hall Road  
Ellesmere Port  
CH66 1ST

**INDEPENDENT AUDITORS**

Crowe Clark Whitehill LLP  
3rd floor  
The Lexicon  
Mount Street  
Manchester  
M2 5NT

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**SPL INTERNATIONAL LIMITED**

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## **SPL INTERNATIONAL LIMITED**

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### **STRATEGIC REPORT FOR THE PERIOD ENDED 31 MARCH 2017**

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#### **INTRODUCTION**

The directors present the Strategic Report of SPL International Limited ("SPL" or the "Company") for the 13 month period ended 31 March 2017.

#### **PRINCIPAL ACTIVITIES**

The principal activities of the Company continued to be the manufacture of ingredients and kits for home brewing and the supply of bulk yeast and nutrients to commercial alcoholic drinks manufacturers.

#### **BUSINESS REVIEW**

On 31 May 2016, a further 50% of the issued share capital of the Company was acquired by Imake Holdings Limited and the Imake Group became the controlling party (note 30).

*The accounting reference date was changed from 28 February to 31 March to be co-terminous with the Group and these financial statements therefore presents the results for the 13 month period ended 31 March 2017.*

This has been a steady year for SPL from a financial perspective despite many changes both internally and externally.

Sales were up by £1,106,628 (11.6%), but on a like for like basis, the increase was only £166,246 (2%). This is positive news after the company experienced a slight decline in sales the previous year. We believe the company is well positioned for future growth.

The company continues its concentration on research and new product development as a means of reinvigorating the offering to the market. The strength of the company culture in motivating and incentivising key staff has driven the business forward.

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## **SPL INTERNATIONAL LIMITED**

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### **STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2017**

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#### **PRINCIPAL RISKS AND UNCERTAINTIES**

##### **Regulatory risks**

The company is potentially exposed to regulatory changes surrounding alcohol internationally. This includes government policies and laws relating to consumption, which may have an indirect effect upon the market, taxes and duties, which could also impact upon customers. The company also needs to take into account regulatory standards surrounding the quality of food and related products. An example is BRC Food Quality accreditation, in which SPL has achieved AA Grade status.

##### **Commercial risk**

The company faces competition in both pricing and market share. This is managed through long standing relationships between the company and its customers. The company strives to continually enhance its reputation for quality and service.

##### **Currency risk**

The company is exposed to currency risk as sales are invoiced in different currencies. As a result the company is exposed to exchange gain variances between GBP, the US Dollar and the Euro. Management continually monitor the exposure of the company. Currency risk is managed at group level by identifying natural hedges and considering the cashflow needs of the group as a whole.

##### **Credit risk**

There is a risk of loss to the company arising from financial difficulties experienced by customers and potentially the failure of customers to meet their financial obligations. The Company manages this risk through credit control procedures and credit insurance. Management consider that the operational risk is reduced to an acceptable level.

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## SPL INTERNATIONAL LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2017

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#### FINANCIAL KEY PERFORMANCE INDICATORS

The directors and senior managers work to Key Performance Indicators ("KPIs") in relation to BRC Food Quality accreditation (above).

Client satisfaction is also tested and measured across the business and internal KPIs include incident free targets in relation to health and safety, quality and employee involvement.

Financial KPIs are as follows;

*Operations:*

Turnover - 13 months £10.6m (2016 - year £9.5m)

Gross profit percentage 41.0% (2016 38.1%)

Profit after tax £1,626,184 (2016 - year £1,092,499)

*Cash flow:*

Cash generated by operations £2,615,737 (2016 £2,375,756)

*Liquidity and financing:*

Net current assets £3,218,561 (2016 £5,246,809)

Shareholders' funds £5,585,791 (2016 £7,721,607)

#### OTHER KEY PERFORMANCE INDICATORS

*Health and safety:*

892 safe days to date (prior record 1,850 safe days)

53 near misses reported (2016 16)

14 minor accidents (cuts/grazes) (2016 18)

Safety Champions scheme continued

*Quality:*

BRC Accreditation AA Grade

Year on year reduction of all quality related KPI's

*Employee engagement:*

187 staff suggestions received, 87 considered or implemented, increasing by 35% year on year.

This report was approved by the board on 31 May 2017 and signed on its behalf.

  
**W J Kilham**  
Director

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## **SPL INTERNATIONAL LIMITED**

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### **DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2017**

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The directors present their report and the financial statements for the period ended 31 March 2017.

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **RESULTS AND DIVIDENDS**

The profit for the period, after taxation, amounted to £1,626,184 (2016 - £1,092,499).

Total dividends of 3,762,000 were declared and paid during the period. A dividend of £114,638 in respect of 2016 was also paid. This was fully provided in the financial statements for the year ended 29 February 2016 because it was contractual and calculated according to a profits based formula.

#### **DIRECTORS**

The directors who served during the period were:

A R Lee (resigned 14 July 2016)  
P R Eastwood  
H L Dowell  
M T Harrison  
W J Kilham (appointed 31 May 2016)

#### **FUTURE DEVELOPMENTS**

The directors expect the current areas of business growth to continue and for new market opportunities to develop over the next 12 months.

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**SPL INTERNATIONAL LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2017**

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**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**POST BALANCE SHEET EVENTS**

There have been no significant events affecting the Company since the year end.

**AUDITORS**

The auditors, Crowe Clark Whitehill LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 31 May 2017 and signed on its behalf.



W J Kilham  
Director



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## **SPL INTERNATIONAL LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SPL INTERNATIONAL LIMITED**

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We have audited the financial statements of SPL International Limited for the period ended 31 March 2017, set out on pages 8 to 33. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As explained more fully in the Directors' responsibilities statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

#### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its profit or loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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**SPL INTERNATIONAL LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SPL INTERNATIONAL LIMITED  
(CONTINUED)**

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**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the Directors' report.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



M Jayson (Senior statutory auditor)

for and on behalf of  
**Crowe Clark Whitehill LLP**

Statutory Auditor

3rd floor  
The Lexicon  
Mount Street  
Manchester  
M2 5NT

5 June 2017

**SPL INTERNATIONAL LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 MARCH 2017**

	Note	13 months ended 31 March 2017 £	2016 £
Turnover	4	10,633,018	9,526,390
Cost of sales		(6,276,554)	(5,900,746)
<b>GROSS PROFIT</b>		<b>4,356,464</b>	<b>3,625,644</b>
Distribution costs		(232,620)	(152,970)
Administrative expenses		(2,564,510)	(2,391,208)
Other operating income	5	429,766	257,500
<b>OPERATING PROFIT</b>	6	<b>1,989,100</b>	<b>1,338,966</b>
Interest receivable and similar income		19,387	866
Interest payable and expenses	10	(77,845)	(7,521)
<b>PROFIT BEFORE TAX</b>		<b>1,930,642</b>	<b>1,332,311</b>
Tax on profit	11	(304,458)	(239,812)
<b>PROFIT FOR THE FINANCIAL PERIOD</b>		<b>1,626,184</b>	<b>1,092,499</b>
<b>OTHER COMPREHENSIVE INCOME:</b>			
<b>ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS:</b>			
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR</b>		<b>1,626,184</b>	<b>1,092,499</b>

**SPL INTERNATIONAL LIMITED**  
**REGISTERED NUMBER: 02750237**

**BALANCE SHEET**  
**AS AT 31 MARCH 2017**

	Note	31 March 2017 £	29 February 2016 £
<b>FIXED ASSETS</b>			
Intangible assets		20,394	81,086
Tangible assets	14	2,471,003	2,703,052
		<u>2,491,397</u>	<u>2,784,138</u>
<b>CURRENT ASSETS</b>			
Stocks	15	2,426,710	2,599,952
Debtors: amounts falling due within one year	16	2,899,076	1,367,742
Cash at bank and in hand	17	1,438,351	2,791,115
		<u>6,764,137</u>	<u>6,758,809</u>
Creditors: amounts falling due within one year	18	<u>(3,545,576)</u>	<u>(1,512,000)</u>
<b>NET CURRENT ASSETS</b>		<b>3,218,561</b>	<b>5,246,809</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>5,709,958</b>	<b>8,030,947</b>
Creditors: amounts falling due after more than one year	19	-	(22,000)
		<u>5,709,958</u>	<u>8,008,947</u>
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred taxation	22	(33,329)	(63,840)
Other provisions	23	(90,838)	(223,500)
<b>NET ASSETS</b>		<b>5,585,791</b>	<b>7,721,607</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	24	20,000	20,000
Profit and loss account	25	5,565,791	7,701,607
		<u>5,585,791</u>	<u>7,721,607</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 May 2017.



**W J Kilham**  
Director

The notes on pages 14 to 33 form part of these financial statements.

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**SPL INTERNATIONAL LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2017**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 March 2016	20,000	7,701,607	7,721,607
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>			
Profit for the period	-	1,626,184	1,626,184
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	-	1,626,184	1,626,184
Dividends: Equity capital	-	(3,762,000)	(3,762,000)
<b>At 31 March 2017</b>	<b>20,000</b>	<b>5,565,791</b>	<b>5,585,791</b>

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**SPL INTERNATIONAL LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 29 FEBRUARY 2016**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 March 2015	20,000	6,723,745	6,743,745
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	1,092,499	1,092,499
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	1,092,499	1,092,499
Dividends: Equity capital	-	(114,637)	(114,637)
<b>AT 29 FEBRUARY 2016</b>	<b>20,000</b>	<b>7,701,607</b>	<b>7,721,607</b>

The notes on pages 14 to 33 form part of these financial statements.

**SPL INTERNATIONAL LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2017**

	13 months ended 31 March 2017 £	29 February 2016 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the period	1,626,184	1,092,499
<b>ADJUSTMENTS FOR:</b>		
Amortisation of intangible assets	73,382	93,028
Depreciation of tangible assets	304,651	323,003
Loss on disposal of tangible assets	-	(3,112)
Interest paid	77,845	7,521
Interest received	(19,387)	(866)
Taxation charge	304,458	239,812
Decrease/(increase) in stocks	173,242	(207,489)
Decrease in debtors	185,065	1,141,285
(Increase)/decrease in amounts owed by group and related undertakings	(1,716,399)	-
Increase/(decrease) in creditors	9,251	(59,038)
Increase in amounts owed to related undertaking	2,000,000	-
(Decrease)/increase in provisions	(132,662)	-
Corporation tax (paid)	(269,893)	(250,887)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>2,615,737</b>	<b>2,375,756</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of intangible fixed assets	(12,690)	(12,125)
Purchase of tangible fixed assets	(72,602)	(97,734)
Sale of tangible fixed assets	-	13,501
Interest received	19,387	866
HP interest paid	(8,008)	(5,304)
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(73,913)</b>	<b>(100,796)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of loans	(19,543)	(26,058)
Repayment of/new finance leases	(43,208)	(60,634)
Dividends paid	(3,762,000)	(162,000)
Interest paid	(69,837)	(2,217)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(3,894,588)</b>	<b>(250,909)</b>
<b>(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,352,764)</b>	<b>2,024,051</b>
Cash and cash equivalents at beginning of period	2,791,115	767,064
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>1,438,351</b>	<b>2,791,115</b>

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**SPL INTERNATIONAL LIMITED**

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**STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2017**

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	<b>31 March 2017 £</b>	<b>29 February 2016 £</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD COMPRISE:</b>		
Cash at bank and in hand	<b><u>1,438,351</u></b>	<b><u>2,791,115</u></b>

The notes on pages 14 to 33 form part of these financial statements.



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## **SPL INTERNATIONAL LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2017**

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#### **1. GENERAL INFORMATION**

The company is a private company limited by shares, registered in England.

The address of the principal place of business and registered office is;

Philip Jones House  
Poole Hall Industrial Estate  
Poole Hall Road  
Ellesmere Port  
CH66 1ST

The principal activities of the company are the manufacture of ingredients and kits for home brewing and the supply of bulk yeast and nutrients to commercial alcoholic drinks manufacturers.

#### **2. ACCOUNTING POLICIES**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The accounting reference date was changed from 28 February to 31 March to be co-terminous with the Group and these financial statements therefore presents the results for the 13 month period ended 31 March 2017. The comparative results presented are therefore not directly comparable.

The following principal accounting policies have been applied:

##### **2.2 Going concern**

The directors have reviewed the timing of cash flows and financial obligations of the company for a period extending 12 months from the date of approval of the financial statements. On this basis, it is considered that the company will have adequate resources to meet its obligations as they fall due and therefore the going concern basis has been adopted in preparing the financial statements.

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## SPL INTERNATIONAL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2017

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## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

#### Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

### 2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Software development costs	-	33 % on cost
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### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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## SPL INTERNATIONAL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2017

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#### 2. ACCOUNTING POLICIES (CONTINUED)

##### 2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

L/Term Leasehold Property	-	2% on cost
Plant & machinery	-	20% on cost
Computer equipment	-	33% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

##### 2.6 Research and development costs

R&D costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on a straight line basis over the anticipated life of the benefits arising from the completed product or project.

Research and development costs associated with pure research, general product development and projects with uncertain commercial future benefits are expensed as incurred.

##### 2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and direct production overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less cost to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### 2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

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## **SPL INTERNATIONAL LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2017**

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## **2. ACCOUNTING POLICIES (CONTINUED)**

### **2.10 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

### **2.11 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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## **SPL INTERNATIONAL LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2017**

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## **2. ACCOUNTING POLICIES (CONTINUED)**

### **2.12 Foreign currency translation**

#### **Functional and presentation currency**

The Company's functional and presentational currency is GBP.

#### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

### **2.13 Finance costs**

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

### **2.14 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

### **2.15 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 March 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

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## **SPL INTERNATIONAL LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2017**

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#### **2. ACCOUNTING POLICIES (CONTINUED)**

##### **2.16 Leased assets: the Company as lessee**

Assets obtained under hire purchase contract and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### **2.17 Pensions**

###### **Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

##### **2.18 Interest income**

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

##### **2.19 Borrowing costs**

All borrowing costs are recognised in the Statement of comprehensive income in the period in which they are incurred.

##### **2.20 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

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**SPL INTERNATIONAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2017**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.21 Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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## **SPL INTERNATIONAL LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2017**

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#### **3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the process of applying the Group's accounting policies above, the Company has identified the judgemental areas that have the most significant effect on the amounts recognised in the financial statements:

##### **Contingencies and provision for liabilities**

The directors have applied the principles within FRS 102 para 21.4. An entity shall recognise a provision only when:

- (a) the entity has an obligation at the reporting date as a result of a past event;
- (b) it is probable (ie more likely than not) that the entity will be required to transfer economic benefits in settlement; and
- (c) the amount of the obligation can be estimated reliably.

##### **Costing of overheads in finished goods inventory**

The directors apply the requirements of FRS 102, para 13.8; The costs of conversion of inventories include costs directly related to the units of production, such as direct labour and variable production overheads.

##### **Change in estimation method**

In previous years, production costs and stock valuation also included a systematic allocation of fixed overheads. On grounds of materiality and to simplify the stock costing method, it was decided not to include the fixed overheads estimate from 1 January 2016. This change in costing method is not considered to be a change in accounting policy and is not considered to have a material impact.



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**SPL INTERNATIONAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2017**

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**4. TURNOVER**

Analysis of turnover by country of destination:

	<b>13 months ended 31 March 2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
United Kingdom	<b>2,787,608</b>	<b>2,149,608</b>
Rest of Europe	<b>1,441,548</b>	<b>1,579,710</b>
Rest of the World	<b>6,403,862</b>	<b>5,797,072</b>
	<b><u>10,633,018</u></b>	<b><u>9,526,390</u></b>

**5. OTHER OPERATING INCOME**

	<b>13 months ended 31 March 2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Charges to related undertaking (note 29)	<b><u>429,766</u></b>	<b><u>257,500</u></b>

**6. OPERATING PROFIT**

The operating profit is stated after charging:

	<b>13 months ended 31 March 2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Research & development charged as an expense	<b>39,274</b>	<b>23,430</b>
Depreciation of tangible fixed assets	<b>304,650</b>	<b>323,003</b>
Amortisation of intangible assets, including goodwill	<b>73,382</b>	<b>93,028</b>
Exchange differences	<b><u>(53,236)</u></b>	<b><u>(27,064)</u></b>

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**SPL INTERNATIONAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2017**

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**7. AUDITORS' REMUNERATION**

	<b>13 months ended 31 March 2017 £</b>	<b>2016 £</b>
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<u><b>9,700</b></u>	<u><b>9,500</b></u>
Taxation and other services	<u><b>7,300</b></u>	<u><b>6,700</b></u>

**8. EMPLOYEES**

Staff costs, including directors' remuneration, were as follows:

	<b>13 months ended 31 March 2017 £</b>	<b>2016 £</b>
Wages and salaries	<b>1,856,414</b>	<b>1,900,647</b>
Social security costs	<b>221,960</b>	<b>234,121</b>
Cost of defined contribution pension scheme	<u><b>42,664</b></u>	<u><b>81,407</b></u>
	<u><b>2,121,038</b></u>	<u><b>2,216,175</b></u>

The average monthly number of employees, including the directors, during the period was as follows:

	<b>13 months ended 31 March 2017 No.</b>	<b>2016 No.</b>
Production	<b>36</b>	<b>39</b>
Sales	<b>9</b>	<b>3</b>
Administration	<b>10</b>	<b>14</b>
Management	<b>2</b>	<b>2</b>
Laboratory	<b>13</b>	<b>10</b>
	<u><b>70</b></u>	<u><b>68</b></u>

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**SPL INTERNATIONAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2017**

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**9. DIRECTORS' REMUNERATION**

	<b>13 months ended 31 March 2017 £</b>	<b>2016 £</b>
Directors' emoluments	<b>107,726</b>	<b>168,997</b>
Company contributions to defined contribution pension schemes	<b>3,601</b>	<b>4,441</b>
	<b>111,327</b>	<b>173,438</b>

During the period retirement benefits were accruing to 2 directors (2016 - 3) in respect of defined contribution pension schemes.

**KEY MANAGEMENT PERSONNEL**

Key management personnel are considered to be the directors and remuneration for their services was as disclosed above.

**10. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>13 months ended 31 March 2017 £</b>	<b>2016 £</b>
Bank interest payable	<b>-</b>	<b>2,201</b>
Interest on loan from related undertaking (note 29)	<b>69,837</b>	<b>16</b>
Finance leases and hire purchase contracts	<b>8,008</b>	<b>5,304</b>
	<b>77,845</b>	<b>7,521</b>

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**SPL INTERNATIONAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2017**

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**11. TAXATION**

	<b>13 months ended 31 March 2017 £</b>	<b>2016 £</b>
<b>CORPORATION TAX</b>		
Current tax on profits for the year	<b>346,941</b>	281,865
Adjustments in respect of previous periods	<b>(11,972)</b>	(4,233)
	<b>334,969</b>	277,632
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	<b>(26,997)</b>	(37,820)
Changes to tax rates	<b>(3,514)</b>	-
<b>TOTAL DEFERRED TAX</b>	<b>(30,511)</b>	(37,820)
<b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>	<b>304,458</b>	239,812

**FACTORS AFFECTING TAX CHARGE FOR THE PERIOD/YEAR**

The tax assessed for the period/year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	<b>13 months ended 31 March 2017 £</b>	<b>2016 £</b>
Profit on ordinary activities before tax	<b>1,930,642</b>	1,332,311
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	<b>386,128</b>	266,462
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>(1,478)</b>	25,646
Capital allowances for period/year in excess of depreciation	<b>10,184</b>	-
Adjustments to tax charge in respect of prior periods	<b>(11,972)</b>	-
Other timing differences leading to an increase (decrease) in taxation	<b>447</b>	(773)
Research and development tax credit	<b>(78,851)</b>	(51,502)
Marginal relief	<b>-</b>	(21)
<b>TOTAL TAX CHARGE FOR THE PERIOD/YEAR</b>	<b>304,458</b>	239,812

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

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**SPL INTERNATIONAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2017**

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**11. TAXATION (CONTINUED)**

There were no factors that may affect future tax charges.

**12. DIVIDENDS**

	<b>13 months ended 31 March 2017 £</b>	<i>29 February 2016 £</i>
Dividends on equity capital	<b><u>3,762,000</u></b>	<u>114,637</u>

**13. INTANGIBLE ASSETS**

	<b>Software £</b>
<b>COST</b>	
At 1 March 2016	288,731
Additions	12,690
At 31 March 2017	<u>301,421</u>
<b>AMORTISATION</b>	
At 1 March 2016	207,645
Charge for the year	73,382
At 31 March 2017	<u>281,027</u>
<b>NET BOOK VALUE</b>	
At 31 March 2017	<u>20,394</u>
At 29 February 2016	<u>81,086</u>

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**SPL INTERNATIONAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2017**

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**14. TANGIBLE FIXED ASSETS**

	Long term leasehold property £	Plant, machinery & equipment £	Total £
<b>COST OR VALUATION</b>			
At 1 March 2016	2,345,908	1,944,013	4,289,921
Additions	15,616	56,985	72,601
At 31 March 2017	2,361,524	2,000,998	4,362,522
<b>DEPRECIATION</b>			
At 1 March 2016	192,537	1,394,332	1,586,869
Charge for the period on owned assets	50,921	253,729	304,650
At 31 March 2017	243,458	1,648,061	1,891,519
<b>NET BOOK VALUE</b>			
At 31 March 2017	2,118,066	352,937	2,471,003
At 29 February 2016	2,153,371	549,681	2,703,052

Included in plant, machinery and equipment are assets held under finance leases and hire purchase contracts with a net book value of £- (2016 £80,414).

**15. STOCKS**

	31 March 2017 £	29 February 2016 £
Raw materials and consumables	1,914,574	2,024,271
Work in progress (goods to be sold)	54,028	51,195
Finished goods and goods for resale	458,108	524,486
	2,426,710	2,599,952

Inventory charges to cost of goods sold during the 13 month period ended 31 March 2017 were £5,206,874 (2016 - year £4,529,796).

There is no material difference between the carrying value of inventory and its replacement cost.

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**SPL INTERNATIONAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2017**

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**16. DEBTORS**

	<b>31 March 2017 £</b>	<b>29 February 2016 £</b>
Trade debtors	<b>983,292</b>	<b>1,158,001</b>
Amounts owed by group undertakings (note 29)	<b>1,000,000</b>	-
Amounts owed by related undertakings (note 29)	<b>716,399</b>	-
Other debtors	<b>22,560</b>	<b>73,550</b>
Prepayments and accrued income	<b>176,825</b>	<b>136,191</b>
	<b><u>2,899,076</u></b>	<b><u>1,367,742</u></b>

**17. CASH AND CASH EQUIVALENTS**

	<b>31 March 2017 £</b>	<b>29 February 2016 £</b>
Cash at bank and in hand	<b><u>1,438,351</u></b>	<b><u>2,791,115</u></b>

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**SPL INTERNATIONAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2017**

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**18. CREDITORS: Amounts falling due within one year**

	<b>31 March 2017 £</b>	<b>29 February 2016 £</b>
Bank loans	-	19,543
Dividends payable	-	124,547
Trade creditors	928,033	464,787
Amounts owed to related undertaking (note 29)	2,000,000	-
Corporation tax	346,941	281,865
Other taxation and social security	46,401	42,134
Obligations under finance lease and hire purchase contracts	-	21,208
Other creditors	181,919	414,648
Accruals and deferred income	42,282	143,268
	<b>3,545,576</b>	<b>1,512,000</b>

	<b>31 March 2017 £</b>	<b>29 February 2016 £</b>
<b>OTHER TAXATION AND SOCIAL SECURITY</b>		
PAYE/NI control	<b>46,401</b>	<b>42,134</b>

**19. CREDITORS: Amounts falling due after more than one year**

	<b>31 March 2017 £</b>	<b>29 February 2016 £</b>
Net obligations under finance leases and hire purchase contracts	-	22,000

**20. HIRE PURCHASE AND FINANCE LEASES**

Minimum lease payments under hire purchase fall due as follows:

	<b>31 March 2017 £</b>	<b>29 February 2016 £</b>
Within one year	-	21,208
Between 1-2 years	-	8,000
Between 2-5 years	-	12,000
	<b>-</b>	<b>41,208</b>



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**SPL INTERNATIONAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2017**

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**21. FINANCIAL INSTRUMENTS**

	<b>31 March 2017 £</b>	<i>29 February 2016 £</i>
<b>FINANCIAL ASSETS</b>		
Financial assets that are debt instruments measured at amortised cost	<b><u>4,142,565</u></b>	<u>3,998,563</u>
<b>FINANCIAL LIABILITIES</b>		
Financial liabilities measured at amortised cost	<b><u>(3,152,234)</u></b>	<u>1,210,001</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors (£983,292), Amounts owed by group undertakings (£1,000,000), amounts owed by related undertakings (£716,399), Other debtors (£4,523), Cash at bank (£1,438,351).

Financial liabilities measured at amortised cost comprise Trade creditors (£928,033), Amounts owed to related undertaking (£2,000,000), Other creditors (£181,919), Accruals and deferred income (£42,282).

**22. DEFERRED TAXATION**

	<b>£</b>
At beginning of year	<b>(63,840)</b>
Credit to statement of comprehensive income	<b>30,511</b>
<b>At 31 March 2017</b>	<b><u>(33,329)</u></b>

The provision for deferred taxation is made up as follows:

	<b>31 March 2017 £</b>	<i>29 February 2016 £</i>
Accelerated capital allowances - liability	<b>(34,941)</b>	<i>(64,491)</i>
Short term timing differences - asset	<b><u>1,612</u></b>	<u>651</u>
	<b><u>(33,329)</u></b>	<i><u>(63,840)</u></i>

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**SPL INTERNATIONAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2017**

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**23. PROVISIONS**

	Other taxes £
At 1 March 2016	223,500
Utilised in period	(132,662)
<b>At 31 March 2017</b>	<b>90,838</b>

The company has a potential liability to pay alcohol tax in respect of the sale of certain products within the UK during a specific period. Specialist advice was taken on this matter and in 2015, a prudent provision was made for the estimated liability.

Following clarification, it is considered that a more accurate estimate of the liability can be determined and the excess provision has been released. Because this is a sales related tax, and to ensure consistency with the treatment of the charge to establish the provision, the release of £132,662 is classified in turnover.

**24. SHARE CAPITAL**

	31 March 2017 £	29 February 2016 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
10,000 A Ordinary shares of £1 each	-	10,000
10,000 B Ordinary shares of £1 each	-	10,000
20,000 Ordinary shares of £1 each	20,000	-
	<u>20,000</u>	<u>20,000</u>

All A ordinary shares of £1 each and all B ordinary shares of £1 each have been re-designated into ordinary shares of £1 each with the same voting, dividend and capital rights.

**25. RESERVES**

**Profit & loss account**

The profit & loss account is the cumulative retained earnings of the company comprising both distributable and non-distributable reserves.

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## SPL INTERNATIONAL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2017

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#### 26. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £42,664 (2016: £81,407). Contributions of £9,483 (2016: £3,618) were payable to the fund at the balance sheet date and are included in creditors.

#### 27. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	31 March 2017 £	29 February 2016 £
Not later than 1 year	10,268	13,106
Later than 1 year and not later than 5 years	10,442	21,802
	<u>20,710</u>	<u>34,908</u>

#### 28. OTHER FINANCIAL COMMITMENTS

There is a fixed and floating charge over the assets of the company to provide security for bank borrowings of the parent, Imake Holdings Limited and a related company, Imake Limited. The total outstanding borrowings subject to this security at 31 March 2017 were £4,717,134.

There is a guarantee in favour of HMRC in relation to VAT, £14,000.

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## **SPL INTERNATIONAL LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2017**

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#### **29. RELATED PARTY TRANSACTIONS**

Disclosure of payments to Key Management Personnel are in note 9.

During the 13 month period ended 31 March 2017, the company entered into the following transactions in the ordinary course of business with Imake Limited, a related party with the same ownership and directors as the parent, Imake Holdings Limited;

Sales, £3,760,627 (2016 - year £2,932,989)

Purchases of goods, £13,532 (2016 - year £43,926)

Other operating income - costs re-charged (note 5), £429,766 (2016 - year £257,500)

Administrative expenses - costs incurred, £101,252

Dividends paid included in the financial statements (note 13), were payable to the parent undertaking, Imake Holdings Limited.

At 31 March 2017, the financial statements included the following receivables in debtors (note 16):

Amounts owed by Group undertakings;

Imake Holdings Limited (New Zealand), £1,000,000

This loan is repayable on demand and interest is charged at 1.5% over bank base rate.

Amounts owed by related undertakings;

Imake Limited (New Zealand), £716,399 (2016, included in trade debtors, £381,278)

These trading balances have no fixed repayment terms.

Included in creditors; amounts falling due within one year (note 18);

Amounts owed to related undertakings

A loan of £2,000,000 from Imake Limited. This is repayable on demand and interest is charged at 1.5% over bank base rate. The interest charge is disclosed in note 10.

#### **30. CONTROLLING PARTY**

On 31 May 2016, Imake Holdings Limited, incorporated and registered in New Zealand, acquired a further 50% of the issued share capital and became the parent undertaking. The registered office is Crowe Horwath, Level 29, 118 Quay Street, Auckland Central, 1010, New Zealand.

Imake Holdings Limited is not required to prepare individual or consolidated accounts.

It is considered that there is no overall controlling party.